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January 15, 2019

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd Chief Clerk/Administrator Public Service Commission of South Carolina 101 Executive Center Drive, Suite 100 Columbia, South Carolina 29210

RE: Petition of the Office of Regulatory Staff to Establish Generic Proceeding Pursuant to the Distributed Energy Resource Program Act, Act No. 236 of 2014, Ratification No. 241, Senate Bill No. 1189 Docket No. 2014-246-E

Dear Ms. Boyd:

By Order No. 2015-194 ("Order"), issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") approved the Settlement Agreement in that docket and required Duke Energy Carolinas, LLC ("DEC" or "the Company") to file reports with the Commission and the South Carolina Office of Regulatory Staff ("ORS") "when the following participation levels are reached to identify and illustrate the costs unrecovered, if any, arising from customer adoption of net metered DER generation through December 31, 2020: (1) 0.5%; (2) 1.0%; (3) 1.5%; and (4) 2.0% of the Utility's previous five-year average South Carolina retail peak demand, as defined by [Act No. 236 of 2014]."

The purpose of this letter is to inform the Commission that DEC has surpassed the 1.5% participation level as of the end of May 2018. The estimated gross generating capacity of the Company's net-metered customer-generators as of May 31, 2018, was 60,268 kilowatts, or 2.0% of the Company's previous five-year average retail peak demand of 80,000 megawatts. In filing the report on behalf of Duke Energy Progress, LLC today in this same docket, DEC realized that it had inadvertently failed to provide this notification to the Commission and ORS when it reached the 1.5% participation level in May 2018. DEC apologizes for this oversight, and will work to ensure prompt notification is provided when the Company achieves the 2.0% participation level.

The Honorable Jocelyn Boyd January 15, 2019 Page2

By copy of this letter and pursuant to the Order, DEC is providing ORS with this report. If you have any questions, please do not hesitate to contact us at your convenience.

Sincerely,

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Rebecca J. Dulin

cc: Service List